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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/710,011	11/10/2000	Giorgos C. Zacharia	O0220/7006/SJH/DPM	4469

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EXAMINER	
STIMPAK, JOHNNA	
ART UNIT	**PAPER NUMBER**
3623	6

DATE MAILED: 12/04/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/710,011	Applicant(s) ZACHARIA, GIORGOS C.	
	Examiner Johnna R Stimpak	Art Unit 3623	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *10 November 2000* .

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-13* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-13* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *November 10, 2000* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) *5* .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

DETAILED ACTION

The following is a first Office Action upon examination of application number 09/710011. Claims 1-13 are pending and have been examined on the merits discussed below.

Specification

1. Applicant mentions co-related applications by title – needs to update with serial numbers.

2. The disclosure is objected to because it contains an embedded hyperlink and/or other form of browser-executable code. Applicant is required to delete the embedded hyperlink and/or other form of browser-executable code. See MPEP § 608.01.

Claim Objections

3. Claims 5 and 6 are objected to because of the following informalities: Step (C) in claim 1 is further limited in claim 5 by step (C) (1), which is already present in claim 1. Step (1) in claim 5 must be renumbered as (2) for proper dependency. The same applies for step (2) in claim 5. Step (2) must be renumbered as step (3) for proper dependency. This also occurs in claim 6. Step (3) which depends from claim 5, should read ..."wherein step (C) further comprises: (4) determining ...wherein step (C)(2) comprises generating the ratee reputation...". Appropriate correction is required.

4. In claims 1-10, the use of the word "Act" is awkward. Examiner suggests referring to elements of a method as "steps" instead. For instance, claim 2 may read as the method of claim 1, "further comprising [an act] the step of...wherein step [act] (C) further comprises..."

Claim Rejections - 35 USC § 112

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 4 and 5 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 4 recites the limitation "one of the rater reputations" in line 22, page 57. There is insufficient proper antecedent basis for this limitation in the claim. It is not clear if the second entity reputation or the associated entity reputation is being referred to. Examiner suggests the following correction – The method of claim 3, wherein each second rating corresponds to one of the rater reputations of the associated entity... -- since the second rating is provided by an associated entity.

Claim 5 recites the limitation "the first user" in line 29, page 57. There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

Claims 1-10 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological arts; and

(2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to be statutory, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, **claims 1-10** only recite an abstract idea.

As per **claims 1-7**, the recited steps of determining a ratee reputation of an entity, based on the entity rating and the reputations of the rater, does not apply, involve, use, or advance the technological arts since all of the recited steps may be performed manually with or without the aid of any technology.

As per **claim 8**, the recited steps of merely determining whether to transact with an entity based on the reputation of the entity does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed manually with or without the aid of any technology.

As per **claim 9,** the recited steps of merely determining a price to pay for a good or service offered by and entity based on the reputation of the entity does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed manually with or without the aid of any technology.

As per **claim 10**, the recited steps of merely determining a price to pay for insuring a quality of a good or service offered by and entity based on the reputation of the entity does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed manually with or without the aid of any technology.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the disclosed invention uses a specific algorithm to produce rater reputations. The examiner is interpreting this algorithm is used to determine the rater reputation in the claims, which render the claims concrete and useful. However, the claimed invention is not tangibly embodied on any physical structure.

The recited process produces a useful and concrete result, but since the invention as a whole, does not produce a tangible result, it fails to meet the criteria for the second part of the 35 U.S.C 101 two-prong test as discussed above and is deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 102

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.
>
> (e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

9. **Claims 1, 5, 6, 7 and 11-13** are rejected under **35 U.S.C. 102(b)** as being anticipated by **Zacharia et al**.

As per **claim 1**, Zacharia et al teaches a method of determining a ratee reputation of a first entity, comprising acts of: (A) receiving a first rating of the first entity by a second entity (p4 column 1, lines8-10); (B) accessing one or more rater reputations, a first rater reputation of the one or more rater reputations being a first rater reputations of the second entity as a qualitative rater of other entities (p4, column 1 – for the ratee reputation to be determined, the reputation of the user giving the rating is taken into consideration, see equation 1); and (C) generating a ratee reputation of the first entity, comprising combining the one or more rater reputations and the first rating (p4, column 1 – for the ratee reputation to be determined, the reputation of the user giving the rating is taken into consideration, see equation 1).

As per **claim 5**, Zacharia et al teaches (D) receiving an initial ratee reputation signal indicating a ratee reputation of the first user prior to the reception of the first rating, wherein (C) comprises (1) generating a ratee reputation adjustment from the first rating and the first rater reputation signal; and (2) adding the ratee reputation adjustment to the initial ratee reputation signal (p4, column 1, equation 1 – the ratee reputation is adjusted (updated) by summing the equation for each rating received) .

As per **claim 6**, teaches (E) determining a damping factor as a negative function of the initial ratee reputation signal (p4, column 1, equation 1 – damping function=$\Phi(R)$), wherein (C) comprises: (3) determining a ratee reputation modification to be applied to the initial ratee reputation signal based on the first rating signal, the first rater reputation signal and the damping factor, and wherein (C)(1) comprises generating the ratee reputation adjustment from the ratee reputation modification (p4, equation 1 – the ratee reputation is modified (updated by

multiplying the damping factor, the rater reputation and the rating and summing for each rating received).

As per **claim 7**, teaches (E) determining an expected rating by dividing a value of the initial ratee reputation signal by a maximum ratee reputation value (p4, column 2, lines 4-6 and equation 1); and (F) subtracting the expected rating from a value of the first rating signal to produce a rating difference (p4, column 1, line one of equation 1 – the expected rating is subtracted from the rating), wherein, if the rating difference is a positive value, then the ratee reputation adjustment is a positive value, thereby resulting in an increase in the ratee reputation of the first entity from the initial ratee reputation, and wherein, if the rating difference is a negative value, then the ratee reputation adjustment is a negative value, thereby resulting in a decrease in the ratee reputation of the first entity from the initial ratee reputation (p4, column 2, lines 6-8 – "if the rating is less than the expected one, the rated user loses some of his reputation value" – therefore, if the subtraction results in a negative value the reputation goes down, if the subtraction results in a positive value, the reputation goes up).

As per **claim 11**, it is the system that generates the ratee reputation of of claim 1. Therefore, the rejection applied to claim 1 also applies to claim 11.

As per **claim 12**, it is the system that performs the method of claim 1. Therefore, the rejection applied to claim 1 also applied to claim 12.

As per **claim 13**, it is the computer readable medium defining instructions to perform the method of claim 1. Therefore, the rejection applied to claim 1 also applied to claim 13.

10. **Claims 1-5 and 11-13** are rejected under **35 U.S.C. 102(e)** as being anticipated by **Bergh et al, U.S. Patent No. 6,112,186.**

As per **claim 1**, Bergh et al teaches a method of determining a ratee reputation of a first entity, comprising acts of: (A) receiving a first rating of the first entity by a second entity (column 2, lines 9-11); (B) accessing one or more rater reputations, a first rater reputation of the one or more rater reputations being a first rater reputations of the second entity as a qualitative rater of other entities (column 11, lines 45-54); and (C) generating a ratee reputation of the first entity, comprising combining the one or more rater reputations and the first rating (column 11, lines 45-54 – here the reputation of the rater is used to calculate a rating for a first entity, this rating is used for recommendation purposes. An entity with a high reputation would inherently be highly recommended.).

As per **claim 2**, Bergh et al teaches (D) accessing one or more second ratings provided for the first entity, each second rating provided by an associated entity, wherein (C) comprises (2) combining the second ratings with the first rating (column 2, lines 9-11 – the ratings for the entity are combined)

As per **claim 3**, teaches (C)(2) comprises (a) calculating an average of the first and second ratings (column 13, lines 45-52)

As per **claim 4**, teaches each second rating corresponds to one of the rater reputations, and (C)(2)(a) comprises (i) weighting each second rating and the first rating with its corresponding rater reputation such that the calculated average is a weighted average (column 13, lines 45-52).

As per **claim 5**, teaches (D) receiving an initial ratee reputation signal indicating a ratee reputation of the first user prior to the reception of the first rating (column 4, lines 5-14), wherein (C) comprises (1) generating a ratee reputation adjustment from the first rating and the first rater reputation signal (column 4, lines 9-14); and (2) adding the ratee reputation adjustment to the initial ratee reputation signal (column 7, line 66 – column 8, line 1 – when a new rating is received or inferred, the profile of that user is updated) .

As per **claim 11**, it is the system that generates the ratee reputation of of claim 1. Therefore, the rejection applied to claim 1 also applies to claim 11.

As per **claim 12**, it is the system that performs the method of claim 1. Therefore, the rejection applied to claim 1 also applied to claim 12.

As per **claim 13**, it is the computer readable medium defining instructions to perform the method of claim 1. Therefore, the rejection applied to claim 1 also applied to claim 13.

Claim Rejections - 35 USC § 103

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

12. Claims 8-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over either Zacharia et al or Bergh et al, in view of Moukas et al.

As per **claim 8**, Zacharia et al and Bergh et al teach all the limitation of claim 8 as applied to claim 1 above, but do not teach determining whether to transact with the first entity

based on the determined ratee reputation of the first entity. Moukas et al teaches a selling agent that knows what expertise an entity has and can compare different entities offering the expertise. Moukas et al specifically uses the reputation of the entity to decide whether to transact with the entity (p14). It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the reputation generating method of Zacharia et al or Bergh et al with the Moukas et al method of determining whether to transact with an entity to make, for example, an online shopping experience more efficient, realistic and trustworthy as suggested by Moukas et al.

As per **claim 9**, Zacharia et al and Bergh et al teach all the limitations of claim 9 as applied to claim 1 above, but do not teach determining a price to pay for a good or service offered by the first entity based on the determined ratee reputation of the first entity. Moukas et al teaches a selling agent that knows what expertise an entity has and can compare different entities offering the expertise. Moukas et al specifically teaches the reputation of the entity being a significant factor of the price level negotiation (p14). It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the reputation generating method of Zacharia et al or Bergh et al with the Moukas et al method of determining a price to pay for a good or service offered by the first entity based on the determined ratee reputation to make, for example, an online shopping experience more efficient, realistic and trustworthy as suggested by Moukas et al.

As per **claim 10**, Zacharia et al and Bergh et al teach all the limitations of claim 10 as applied to claim 1 above, but do not teach determining a price to pay for insuring a quality of a good or service offered by the first entity based on the determined ratee reputation of the first

entity. Moukas et al teaches a selling agent that knows what expertise an entity has and can compare different entities offering the expertise. Moukas et al specifically teaches the reputation of the entity being a factor of merchant differentiation in retail sales negotiation (p12 – Tete-a-Tete). Moukas et al teaches a negotiation system that provides way for merchants to differentiate themselves in product and service attributes such as warranty length and options, service contracts, payment options, etc (p12 – Tete-a-Tete), all of which are elements of insuring quality of a product. It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the reputation generating method of Zacharia et al or Bergh et al with the Moukas et al method of determining a price to pay for a good or service offered by the first entity based on the determined ratee reputation to make, for example, an online shopping experience more efficient, realistic and trustworthy as suggested by Moukas et al.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Ginn, U.S. Patent No. 6,362,837 B1 – a method and apparatus for rating messages and weighting the rating depending on the users reputation.

Malet et al, U.S. Patent No. 6,347,332 B1 – a rating process weights references and users based on collective expertise and beliefs of participants.

Priluck, Jill. MIT: E-Commerce Just Beginning – HISTOS allows buyers to rate sellers and vice versa.

Moukas, Guttman, Zacharias and Maes – Agent-mediated Electronic Commerce: An MIT Media Laboratory Perspective.

Hey, U.S. Patent No. 4,996,642 – a system for recommending items taking into account user ratings.

Hey, U.S. Patent No. 4,870,579 – system and method of predicting subjective reactions to items taking into account user ratings.

Ginn, U.S. Patent No. 6,275,811 B1 – facilitates interactive electronic communication through feedback, background information discloses weighted averages of scaled ratings.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Johnna Stimpak** whose telephone number is **703-305-4566**. The examiner can normally be reached Monday through Friday from 8:00 to 5:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Tariq Hafiz**, can be reached on **703-305-9643**.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **Receptionist** whose telephone number is **703-308-1113.**

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
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Or faxed to:

703-305-7687	[Official communications; including After Final communications labeled "Box AF"]
703-746-3956	[Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th Floor.

Js
11/26/02

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